

Status of Audit Resolution

December 2003

Agency: 405

Department of Transportation

Audit Number	Finding Number
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2002S	13	Finding:	The Department of Transportation's Washington State Ferries Division does not have adequate controls over ticket sales and revenue collection.
		Resolution/Status:	<p>The Department has begun a major project to replace the revenue collection system (RCS), which includes the point-of-sale (POS) system. Replacement of the current system provides the Department the most comprehensive, efficient and effective opportunity to introduce strong revenue collection controls and improve audibility. Further, as part of the RCS replacement project, the Department intends to take advantage of available and proven technology to automate fare collection where appropriate and cost effective.</p> <p>The Department has also:</p> <ul style="list-style-type: none">• Implemented the use of credit cards for fare purchase as of January 2002 to reduce risk.• Operating under the current internal control structure, increased emphasis on monitoring recorded transactions for indications of increased risk.
		Agency Contact:	<p>David Hammond 2911 Building, 2911 2nd Avenue Mailstop TB-32 Seattle, WA 98121 (206) 515-3772 hammondd@wsdot.wa.gov</p>

Status of Audit Resolution

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2002S	15	Finding:	The Department of Transportation's Washington State Ferries Division lacks adequate internal controls over travel payments.
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Resolution/Status: The Department concurs with this finding and has taken the following corrective action:

- The Ferries Division management has been negotiating with the Marine Engineers Beneficial Association, the union representing some Division workers, to clarify travel reimbursement provisions of the collective bargaining agreement.
- Time sheets have been revised. The Port Engineer's Office has been given additional instruction regarding review of time sheets.
- The Payroll Coordinator now monitors employee travel expenditures each pay period through review of an automated edit report that includes flags for possible exceptions based on dollar thresholds.

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2002S	19	Finding:	The Department of Transportation (DOT's) Washington State Ferries Division lacks adequate internal controls over ferry vessel equipment and items that are small and susceptible to misappropriation.
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Resolution/Status: To further improve accountability, the Division's Maintenance Department has taken the following corrective action:

- Developed and implemented inventory control policies and procedures over capital equipment purchased for preservation and improvement projects.
- Implemented the guidelines of DOT Instructional Letter IL 4045.00 Inventory Control of Small and Attractive Assets.
- Identified approximately 200 items meeting the criteria of small and attractive assets as required by IL 4045.00.
- During the course of the 2003 minor capital physical inventory, all identified items were tagged and entered into the appropriate inventory control system.

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